

## **FISCAL NOTE**

### **HB 2778 - SB 3277**

March 30, 2006

**SUMMARY OF BILL:** Creates a new section that makes the Governmental Tort Liability Act (GTLA) liability cap inapplicable to a medical malpractice action brought against a hospital or its employees.

#### **ESTIMATED FISCAL IMPACT:**

**Increase Local Govt. Expenditures – Exceeds \$3,000,000\***

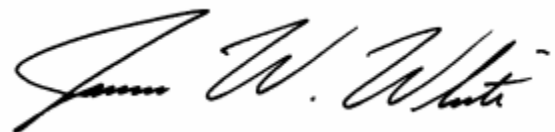
Assumptions:

- The cost of medical malpractice insurance for Nashville General Hospital in Davidson County is estimated to be between \$1,500,000 and \$2,000,000.
- Malpractice claims could increase due to the more lucrative nature of such suits in the absence of tort liability limits.
- As more suits are brought, the cost of the medical malpractice premium would increase.
- Insurance rates will increase due to increase in liability to local governments.
- Removal of the GTLA liability cap may be an increase in the length of time to litigate cases.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

**HB 2778 - SB 3277**